



## Don't be Fooled by Statistics

So, in August 2020, jobs added in the United States (Non-Farm Payrolls) totaled 1.37 million and, statistically, the Unemployment Rate fell to 8.4%. Woohoo! And the Stock Market indices went back to record highs with the DOW near 29,000 again. V-shaped recovery? - Not so fast.

It is true that folks with steady jobs, upper - income folk and the wealthy are richer, for the moment, and many companies like Amazon, and Walmart, have prospered from the pandemic. Your 401 (K) is looking good, for now, but take a pause. First off, the August jobs report includes 344,000 jobs in the Government sector, largely 2020 census workers, who will shortly lose those temporary jobs.

Second, an unemployment rate of 8.4% represents a huge number of small business owners and their employees who previously drove consumption spending which is, in actual fact,

around 70% of the U.S. economy. Compare unemployment before the pandemic of 3.5% in December 2019. Eleven million more people unemployed than previously.

**In other words, the stock market looks great, statistics are dazzling, but check in with your neighbors struggling to make ends meet.**

Irrespective of the Presidential outcome in November, 2021 will be painful. The 'V' recovery will be a 'W'. My personal investments are almost all in cash because the euphoria in investors' heads is drug induced with the medication of federal stimulus money, billed to the National credit card.

Just as we see the inevitable consequences of climate change showing up on television, though long time denied by some, the same is true of the sparkling statistics that show only part of the economic story.

What does this have to do with Alaska real estate? 2021 will

not be easy. Alaskans out of work and some small businesses going under will inevitably have a 'trickle up' effect on even those currently financially sound.

Tighten your belt. Alaska is as good as any place to be in this turbulent moment. Support your Municipal and State governments as they sincerely try to smooth the waves. Real estate values will take a 2% to 4% hit, especially homes over \$500,000. Consolidate your family structure, encourage your kids. Alaska's future is bright, but sometimes our State character requires a little testing and discipline.

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